

March 12, 2007

**City of Milton-Freewater
City Council Minutes**

The Council of the City of Milton-Freewater met in regular session Monday, March 12, 2007 at 7:00 p.m. in the Albee Room of the Library.

The following members were present: Mayor Lewis Key, Councilors Orrin Lyon, Ed Chesnut, Keith Woods, Debbie Kelley, Steve Irving and Brad Humbert. Staff members present were Assistant City Manager Linda Hall and City Planner Gina Hartzheim. City Manager Delphine Palmer was absent.

Citizens present were Silverio Oliva and his family.

Press member present was Marcia Akes of the Valley Herald.

CONSENT CALENDAR ITEMS: The consent calendar items consisted of minutes from the February 26, 2007 city council meeting. Councilor Kelley motioned to adopt the consent calendar items. Councilor Humbert seconded the motion which passed unanimously.

NEW BUSINESS

PUBLIC HEARING and ORDINANCE NO. 940 Vacating a Portion of NW 7th Avenue.

Mayor Key opened the hearing and summarized the rules for Public Hearing.

No ex parte contact was declared.

Mayor Key asked if notice of hearing had been published according to law. Assistant City Manager Linda Hall stated that this had been done. Mayor Key then asked if there had been any written comments. Ms. Hall said there were none.

City Planner Gina Hartzheim stated that this was the public hearing portion of the matter the Council previously motioned to initiate vacation proceedings for the area affected, which is an approximately 353 foot-long strip on NW 7th Avenue that borders the school grounds at Freewater School. The area proposed for vacation is currently an unused portion of right-of-way that borders the playground of Freewater School and has not been utilized by the City for many years. The area has been fenced in by the school and in years past, has been used for additional play area for the students at Freewater School. Applicant is pursuing vacation at this time to assume formal ownership of this area which would then allow room for placement of needed modular structures that would be used for students currently in the older portion of Freewater School. All the potential utilities were notified of the proposed vacation and the only property owner other than the school district that could be affected by this vacation is the property owner that lives on the corner of Evans and NW 7th Avenue, 628 Evans. There have not been any comments either for or against the vacation received to date. There was one comment from the electric utility that indicated there is a power pole with a guy-wire that is in an area of the proposed vacation. The legal description for the vacated area does include an easement to be reserved for the electric utility. There would be no budget implications as a result of the vacation based

upon the actual right-of-way as it would be retained in public ownership, other than the small piece bordering for the owners at 628 Evans. This would be a minimal potential tax increase in tax revenue from this piece. Staff recommends, at the conclusion of the public hearing, to adopt the ordinance vacating the area on NW 7th Avenue.

Mayor Key asked if the applicant would like to speak. There was no representative from the school district.

Mayor Key invited all in support of the vacation to address the Council.

Silverio Oliva, 628 Evans, had questions about how his property would be affected. Ms. Hartzheim showed him an aerial map depicting the proposed vacation, and explained that although he had been using the City's property for parking, if the ordinance is passed, this land, about thirty feet, would become his without any personal cost other than a minimal amount on his property taxes. The school would be deeded the other thirty feet of property.

Mayor Key invited all in opposition of the vacation to address the Council. None approached.

Mayor asked the Council for any comments. There were none.

Mayor Key declared the hearing closed.

Councilor Humbert moved Ordinance No. 940, be introduced by title only and full reading waived. Councilor Woods seconded and a roll call vote was taken: Councilor Lyon, yea, Councilor Chesnut, yea, Councilor Woods, yea, Councilor Kelley, yea, Councilor Irving, yea and Councilor Humbert, yea. Motion carried unanimously. The Assistant City Manager then read the ordinance by title only. Councilor Humbert moved for second reading of Ordinance No. 940 be by title only and full reading waived. Councilor Lyon seconded and the motion carried unanimously. The Assistant City Manager read the ordinance by title only. Councilor Humbert moved to adopt Ordinance No. 940. Councilor Woods seconded and a roll call vote was taken: Councilor Lyon, yea, Councilor Chesnut, yea, Councilor Woods, yea, Councilor Kelley, yea, Councilor Irving, yea, and Councilor Humbert, yea.

PUBLIC HEARING Community Development Block Grant.

Mayor Key opened the hearing and summarized the rules for Public Hearing.

No ex parte contact was declared.

Mayor Key asked if notice of hearing had been published according to law. Assistant City Manager Linda Hall stated that this had been done. Mayor Key then asked if there had been any written comments. Ms. Hall said there were none.

Assistant City Manger Linda Hall stated that last fall, the Council authorized the sponsorship of a Community Development Block Grant (CDBG), which was requested by

Horizon Project, Inc. Community Development Block Grants are usually large grants, \$750,000 to \$1 million or more and support funding of large projects in smaller, rural communities that benefit the community at large regarding development. The funding is used to improve infrastructure, public facilities, or economic viability. This particular Block Grant would establish a revolving loan fund for economic development in that it would benefit small businesses within the City of Milton-Freewater that would qualify to either start a new business or expand their current business. The most important criteria is that the benefiting businesses would create jobs in our community. Low to moderate income citizens will be targeted for these jobs. This grant application must be completed before the end of March. It would come through the City as a pass-through and then go to Horizon Project, Inc. An established small board will oversee the criteria for the loans and also oversee the loan application process. The Council, when they agreed to sponsor the CDBG, wanted to ensure the City had a representative on the board that decides the criteria for the loans and also oversee each loan application process so the City has a voice in the actual process. If this grant is successful, the funds will begin to come in after July 1st during the first draw-down. The loans could possibly be seen in our community as early as this summer. This is the last public process required before the application is submitted.

Mayor Key invited citizens to address the Council with comments. None approached.

Mayor Key called for Council comments. Councilor Woods asked for clarification regarding the request for the Block Grant. Ms. Hall stated that Block Grants cannot be administered by government entities, but they have to be sponsored and overseen by government entities. Only non-profit agencies may administer the grants. Councilor Woods asked if after the public hearing, the grant would be approved. Ms. Hall explained saying no, the public hearing is to garner citizen input towards the application that Horizon Project, Inc. will be completing. Proof is required that public input was solicited from the community for this particular grant, and the needs of the community in general.

Councilor Chesnut asked if the grant was approved, would funds essentially be permanent funds. In other words, loans would be issued, paid and then funds could be re-loaned. Ms. Hall stated this was correct. The first time the funds are loaned, those funds would be required to go towards job creation. After the business owner pays the funds back, the criteria could then be relaxed or expanded. The State primarily wants to ensure that the first use of these funds go towards what is applied for, and is specifically tied to jobs among low to moderate income citizens.

Ms. Hall stated that the City will be responsible for guaranteeing Horizon Project meets all requirements and assurances. Councilor Woods asked if there would be any additional oversight. Councilor Kelley stated that monetarily, the City would control the funds. Ms. Hall said Horizon Project, Inc. would not receive any funds until the City is assured that the process is complete and meets the required criteria. Councilor Woods asked if the City had to pay for the special audit on this grant. Ms. Hall stated she had already told Horizon Project, Inc. staff that the City would not pay for the special audit, because it will be expensive. Depending on funds received for a given quarter, this would qualify for a special audit, which are very expensive. In anticipation of this possibility, Mr. Currin has been informed that the City will not pay for the audit. The City is absorbing the cost for advertising and other incidental costs.

Councilor Lyon asked what is in this program for Horizon Project, Inc. Councilor Chesnut said he was sure they would receive an administrative fee. Councilor Kelley said most CDBG grants have a 3% administrative clause. Ms. Hall said she was sure the Horizon Project, Inc. staff has the best interest of the community's economic development at heart, and that is their interest in the grant.

Mayor Key asked if Horizon Project, Inc. has a project in mind. Ms. Hall said none that had been disclosed, but have mentioned businesses wishing to expand and not able to meet the criteria for regular lending institutions. Councilor Woods asked what the probability was of actually receiving these funds because we are geographically disassociated with the Willamette corridor. Ms. Hall said she would say we have a good chance.

Mayor Key declared the hearing closed.

Mayor Key then announced this was the opportunity for citizens to approach the council with issues not on this agenda. None approached.

City Planner Gina Hartzheim reported about several new housing developments within the City.

COUNCIL ANNOUNCEMENTS

Councilor Irving asked about the negotiations for the restaurant at the golf course. Ms. Hall said that when city staff formerly advertised for proposals, which was open for 45 days, city staff did not receive a single response. The day the deadline came and went for the formal proposal, the phone rang off the hook for the next solid week. Ms. Hall continued saying that she had to have a cut-off period so as to get a renter. Then the proposals need to be evaluated and ultimately brought before the Council. The cut-off is effective this very night, and Ms. Hall said she thought Public Works Superintendent Dave Bradshaw has shown the building to five serious contenders, of which two will be difficult to recommend to City Manager Delphine Palmer.

Councilor Humbert asked about the city property on Columbia Street. Councilor Humbert further said he had sold one excavator, but did have one left. Ms. Hall said she would pass this information on.

Councilor Kelley said she had flyers about a second community forum, and the forum does involve Milton-Freewater. There will be a keynote speaker, again from Jacksonville, Florida, Ben Warner. All council members, city manager and county commissioners will be invited to a special luncheon with Mr. Warner. He has a fascinating personality, very positive, and Councilor Kelley said she thought that Milton-Freewater could benefit with the method he will be proposing. This event will be Thursday, March 22nd from 3:00pm to 8:00pm. There will be pizza, salad, and childcare provided at no charge. The event will be held at the Walla Walla Fairgrounds Community Center.

The next day, March 23rd, there will be another workshop sponsored by the Sherwood Trust at Reid Center, Whitman College campus, regarding community problem solving.

Check-in is at 8:00am and workshop begins at 8:30am. Lunch is provided. There is a registration fee of \$15 which includes lunch and materials.

Councilor Woods stated that he and Councilor Lyon had gone on the levee tour, stating it was very interesting and well attended.

Councilor Chesnut stated he received notice that the Umatilla County budget process is beginning April 25th.

There being no further business, the meeting was adjourned at 7:35 p.m.

Lewis S. Key, Mayor